May 2025



1. Background

- 1. The Product Regulation and Metrology Bill¹ (the Bill) was introduced in the House of Lords and had its First Reading on 4 September 2024. It is sponsored by the Department for Business and Trade.
- **2.** The long title to the Bill states that it is a Bill to:

"Make provision about the marketing or use of products in the United Kingdom; about units of measurement and the quantities in which goods are marketed in the United Kingdom; and for connected purposes."²

3. The Bill completed its passage through the House of Lords on 12 March 2025. It received its First Reading in the House of Commons the next day³, and had its Second Reading on 1 April 2025. It entered Commons Committee stage on 13 May 2025, and at the time this report was agreed, a date for Commons Report stage was to be announced.

The Welsh Government's Legislative Consent Memorandum

- **4.** Standing Orders 29.1 and 29.2 provide that the Welsh Ministers must lay a legislative consent memorandum where a UK Bill makes provision in relation to Wales that has regard to devolved matters.
- **5.** On 20 September 2024, Rebecca Evans MS, the Cabinet Secretary for Economy, Energy and Planning (the Cabinet Secretary), laid before the Senedd a legislative consent memorandum (the Memorandum) in respect of the Bill.⁴ Within the Memorandum, the Cabinet Secretary stated that the Welsh Government was supportive of the Bill "with respect to its role in facilitating the smooth functioning of the UK Internal Market", however:
 - "... further engagement is required with UK Government on the enabling powers in clauses 1(1)(a), 1(1)(b) and 1(2), and the role of the Welsh Ministers and the Senedd in this area. I will provide

¹ Product Regulation and Metrology Bill, as introduced

² Product Regulation and Metrology Bill, as introduced

³ Product Regulation and Metrology Bill, as brought from the Lords

⁴ Welsh Government, <u>Legislative Consent Memorandum: Product Regulation and Metrology Bill</u>, 20 September 2024

further updates to the Senedd on the Welsh Government's position in relation to this Bill following further engagement."⁵

- **6.** We laid our report on the Memorandum in November 2024⁶, and received a response from the Cabinet Secretary on 13 January 2025.⁷
- 7. In our report, we recommended that the Cabinet Secretary should provide regular updates to the Committee and the Senedd on the Welsh Government's position in respect of the Bill.⁸ In response, the Cabinet Secretary said that there were "no significant updates", although positive official-level discussions were being held with the UK Government. She also stated that the Welsh Government hoped to obtain further information on the UK Government's position in early 2025, and that "an update will be provided to the committee shortly after, which will set out next steps with respect to further engagement."
- **8.** Within our report, we also expressed concern about the broad powers in the Bill, and the UK Government's ability to exercise them in devolved areas without needing to obtain the consent of the Welsh Ministers. In this regard we recommended that the Cabinet Secretary should state:
 - whether the Welsh Government believes a Bill introduced in the Senedd could be used to amend the Bill - if enacted - to the extent that it applies to devolved areas; and
 - whether the Welsh Government considers that following such an approach would be viable, should it be necessary, to resolve its concerns in respect of the Bill.¹⁰
- **9.** In response to this recommendation, the Cabinet Secretary stated:

"The outlined approach would require a full assessment of legislative competence but were such provision within the

⁵ Memorandum, paragraph 36

⁶ Legislation, Justice and Constitution (LJC) Committee, <u>The Welsh Government's Legislative</u> Consent Memorandum on the <u>Product Regulation and Metrology Bill</u>, November 2024

⁷ Letter from the Cabinet Secretary for Economy, Energy and Planning, 13 January 2025

⁸ LJC Committee, The Welsh Government's Legislative Consent Memorandum on the Product Regulation and Metrology Bill, November 2024, Recommendation 1

⁹ Letter from the Cabinet Secretary for Economy, Energy and Planning, 13 January 2025, responses to recommendations 1 and 4

¹⁰ LJC Committee, The Welsh Government's Legislative Consent Memorandum on the Product Regulation and Metrology Bill, November 2024, Recommendation 2

competence of the Senedd, then it could amend UK Parliament legislation.

We are confident that positive outcomes will be reached with UK Government and so do not believe such an approach will be necessary."¹¹

- Ministers to exercise the delegated powers in the Bill in devolved areas, and that the Cabinet Secretary should set out the different ways the Welsh Government was seeking the Bill to be amended to ensure a role for the Welsh Ministers and the Senedd. In accepting these recommendations, the Cabinet Secretary told us that the Welsh Government was "continuing to discuss the allocation of delegated powers with UK Government, with a view to ensuring devolution is fully reflected", and that it was also in touch with counterparts in Scotland and Northern Ireland "to understand their perspective on the Bill and the possible legislative options which could address devolved nations concerns." Is
- Welsh Government's assessment of the Bill's interaction with the *United Kingdom Internal Market Act 2020* (the UK Internal Market Act), and with UK common policy frameworks. In response to these recommendations, the Cabinet Secretary said that the Welsh Government's assessment was that any regulations introduced using powers in the Bill would align with the principles outlined within the UK Internal Market Act, and that should there be instances of regulatory difference across the UK in areas covered by the Bill, the Act would apply. The Cabinet Secretary also stated:

"The interaction with common frameworks will depend on the outcome of discussions around delegated powers. The interaction with individual common frameworks will also be dependent on the manner in which the delegated powers are purported to be exercised." ¹⁵

¹¹ Letter from the Cabinet Secretary for Economy, Energy and Planning, 13 January 2025, section 2

¹² LJC Committee, The Welsh Government's Legislative Consent Memorandum on the Product Regulation and Metrology Bill, November 2024, Recommendations 3 and 4

¹³ Letter from the Cabinet Secretary for Economy, Energy and Planning, 13 January 2025, section 2

¹⁴ LJC Committee, The Welsh Government's Legislative Consent Memorandum on the Product Regulation and Metrology Bill, November 2024, Recommendations 5 and 6

¹⁵ Letter from the Cabinet Secretary for Economy, Energy and Planning, 13 January 2025, section 2

The Welsh Government's Supplementary Legislative Consent Memorandum (Memorandum No. 2)

- **12.** On 24 March 2025, the Cabinet Secretary laid a supplementary legislative consent memorandum (Memorandum No. 2) in respect of "a number of technical and substantive amendments" tabled for consideration at Lords Report stage between 17 February and 5 March 2025.¹⁶
- **13.** The Business Committee agreed that the Legislation, Justice and Constitution Committee and the Economy, Trade and Rural Affairs Committee should report on Memorandum No. 2 by 16 May 2025.¹⁷ This reporting deadline was first extended to 19 May 2025¹⁸, and later extended to 2 June 2025.

Provisions for the which the Senedd's consent is required

- **14.** The Welsh Government's assessment, as set out in paragraphs 12 to 30 of Memorandum No. 2, is that consent is required for amendments made to the following clauses and Schedule to the Bill, and an amendment to insert a new clause:
 - Clause 1 Product regulations;
 - Clause 2 Product requirements;
 - New clause 9 Application to existing product and metrology provision;
 - Clause 10 Interpretation; and
 - Schedule Excluded products.

UK Government view on the need for consent

15. In the Explanatory Notes to the Bill, the UK Government specifies that the Bill requires the legislative consent of the Senedd, and agrees that consent is required for clauses 1 to 4 (in part) and 7 to 11 (in part). In this regard, the Cabinet Secretary states:

¹⁶ Welsh Government, <u>Supplementary Legislative Consent Memorandum (Memorandum No. 2)</u>: <u>Product Regulation and Metrology Bill</u>, 24 March 2025

Business Committee, Timetable for consideration: Supplementary Legislative Consent
Memorandum (Memorandum No. 2) on the Product Regulation and Metrology Bill, March 2025
Business Committee, Timetable for consideration: Supplementary Legislative Consent
Memorandum (Memorandum No. 3) on the Product Regulation and Metrology Bill, May 2025

¹⁹ Explanatory Notes to the Product Regulation and Metrology Bill, as introduced, Annex A

"... the UK Governments [sic] view in relation to the need for consent for clauses 1, 2, 10 and the Schedule remains unchanged. With regards to the new clause, UKG acknowledge that it requires the consent of the Senedd, and we agree with this assessment."²⁰

Financial implications

16. At paragraph 33 of Memorandum No. 2, the Cabinet Secretary states that no financial implications have been identified "at this stage", but that "further advice will be submitted should this position change."

The Welsh Government's position

17. The Cabinet Secretary sets out the reasons for making the provisions for Wales in the Bill:

"The UK Government has highlighted that the primary intention of the powers in the Bill is to modernise and improve existing legislation, rather than any wholesale revocation and replacement. It also highlighted that the new clause outlined above is a technical but necessary amendment to give effect to the policy of utilising Bill powers to update the current body of law without unnecessarily revoking and then duplicating it."²¹

18. The Cabinet Secretary concludes at paragraph 34 of Memorandum No. 2:

"The Welsh Government are supportive of the amendments, insofar as it supports the UK Government's objective to develop a UK wide product safety regime which can be seen as key part of the wider ambition to establish and maintain an effective UK internal market. However, my officials and I are continuing to engage with UK Government on the enabling powers in clauses 1(1)(a), 1(1)(b) and 1(2), and the impact on devolution. I will provide further updates to the Senedd on the Welsh Government's position in relation to this Bill following further engagement."

²⁰ Memorandum No. 2, paragraph 31

²¹ Memorandum No. 2, paragraph 32

The Welsh Government's Supplementary Legislative Consent Memorandum (Memorandum No. 3)

- **19.** On 12 May 2025, the Cabinet Secretary laid a further supplementary legislative consent memorandum (Memorandum No. 3) in respect of an amendment tabled by the UK Government on 7 May 2025 for consideration at Commons Committee stage.²²
- **20.** The Business Committee agreed that the Legislation, Justice and Constitution Committee and the Economy, Trade, and Rural Affairs Committee should report on Memorandum No. 3 by 19 May 2025.²³ The reporting deadline was later extended to 2 June 2025.

Provisions for the which the Senedd's consent is required

- **21.** The Welsh Government's assessment, as set out in paragraphs 12 to 15 of Memorandum No. 3, is that consent is required for amendment OPC79²⁴ (tabled as amendment Gov NC1²⁵).
- **22.** The Cabinet Secretary provides details about the following subsections of the new clause inserted by the amendment:
 - subsection (2) limits the powers conferred on the Secretary of State, under clause 1, to make regulations by specifying that regulations which contain provision within Welsh devolved competence may only be made with the consent of the Welsh Ministers, unless the provision is merely incidental to, or consequential on, provision outside Welsh devolved competence;
 - subsection (5)(b) provides that a provision is within Welsh devolved competence if it would be within the legislative competence of Senedd Cymru if it were contained in an Act of the Senedd (including any provision that could be made only with the consent of a Minister of the Crown); and

²² Welsh Government, <u>Supplementary Legislative Consent Memorandum (Memorandum No. 3)</u>: <u>Product Regulation and Metrology Bill</u>, 12 May 2025

 ²³ Business Committee, Timetable for consideration: Supplementary Legislative Consent
Memorandum (Memorandum No. 3) on the Product Regulation and Metrology Bill, May 2025
²⁴ As stated in the Memorandum, "OPC" is used as a reference number assigned to amendments prior to their formal publication.

²⁵ UK Parliament, Product Regulation and Metrology Bill, <u>Amendment NCl</u>

- subsection (6) makes amendments to paragraph (9) of Schedule 7B to the Government of Wales Act 2006 to disapply the Minister of the Crown consent restriction in paragraph (8).²⁶
- **23.** Amendment Gov NC1 was agreed on 15 May 2025²⁷ and appears as clause 10 of the version of the Bill as amended at Public Bill Committee²⁸.

UK Government view on the need for consent

24. The Cabinet Secretary states that the UK Government acknowledges that the amendment requires the consent of the Senedd, and that she agrees with this assessment.²⁹

Financial implications

25. The Cabinet Secretary states that no financial implications have been identified "at this stage", but that "further advice will be submitted should this position change."³⁰

The Welsh Government's position

26. The Cabinet Secretary acknowledges that the amendment does not provide equivalent powers for the Welsh Ministers in devolved areas.³¹ She further states:

"I have highlighted my concerns with this approach to the UK Government, and the importance of respecting the boundaries of devolution and the role of the Senedd.

The UK Government has confirmed its recognition of the importance of respecting devolution and has stressed that the consent mechanism is designed to ensure the protection of devolved interests while providing the necessary clarity and coherence for businesses and consumers in all parts of the UK.

The new clause will prohibit the Secretary of State from making regulations which contain provision within the legislative competence of the Senedd unless Welsh Ministers consent

²⁶ Memorandum No. 3, paragraphs 13 to 15

²⁷ UK Parliament, Product Regulation and Metrology Bill, House of Commons Committee stage

²⁸ UK Parliament, Product Regulation and Metrology Bill, as amended in Public Bill Committee

²⁹ Memorandum No. 3, paragraph 16

³⁰ Memorandum No. 3, paragraph 20

³¹ Memorandum No. 3, paragraph 17

(unless it is incidental or consequential). Further the restriction that would otherwise require a Minister of the Crown consent to omit it, will also be disapplied by listing this Act as an exception to that, by virtue of the amendment to paragraph 9 of Schedule 7B to GoWA. This, puts in place important limitations on an otherwise broad power."³²

- **27.** Whilst she "would have liked UK Government to go further", the Cabinet Secretary nonetheless welcomes the amendment, and states that it "demonstrates a concession on the part of the UK Government", and "will ensure devolved interests are protected in the development of subordinate legislation under clauses 1(1)(a), 1(1)(b) and 1(2)."³³
- **28.** The Cabinet Secretary, therefore, recommends that the Senedd supports the proposals and gives its consent.³⁴

2. Committee consideration

- 29. We considered Memorandum No. 2 on 28 April 2025³⁵ and 12 May 2025³⁶.
- **30.** On 19 May 2025, we considered Memorandum No. 3 and our report, and resolved to agree our report outside of the meeting.³⁷

Our view

Provisions requiring consent

31. We note the Welsh Government's assessment of the amendments which require the consent of the Senedd, given that the Bill's powers could be used to make provision in devolved areas such as health, economic development, environmental protection, food packaging and animals.

Conclusion 1. We agree with the Welsh Government's assessment, as set out in Memoranda No. 2 and No. 3, of the provisions within the Bill which require consent of the Senedd in accordance with Standing Order 29.

³² Memorandum No. 3, paragraphs 17 to 19

³³ Memorandum No. 3, paragraphs 22

³⁴ Memorandum No. 3, paragraphs 23

³⁵ LJC Committee, 28 April 2025, Minutes

³⁶ LJC Committee, 12 May 2025, Minutes

³⁷ LJC Committee, 19 May 2025, Minutes

32. We also note that the UK Government agrees that consent is required for the provisions set out in Memoranda No. 2 and No. 3.

The Welsh Government's position

- **33.** While Memorandum No. 2 does not include a recommendation as to whether the Senedd should consent to the Bill, we note that in Memorandum No. 3 the Cabinet Secretary recommends that consent should be given. We further note that this recommendation is made in light of amendment NC1's tabling on 7 May 2025.
- **34.** We acknowledge that the provisions in amendment NC1 will provide a consenting role for the Welsh Ministers when the current or a future UK Government is deemed to be exercising the Bill's powers in devolved areas. However, the Senedd will be unable to conduct any substantive scrutiny of regulations made using these powers, given the absence of any regulation-making powers for the Welsh Ministers in the Bill.
- **35.** As highlighted in our report on the Memorandum, the powers in the Bill are broad. The fact, therefore, that only the UK Government is able to exercise these powers in devolved areas continues to be of concern to us, and as such we are still of the view that the Welsh Ministers should be provided with the same powers to act in devolved areas as those which are delegated to UK Government Ministers in clause 1 of the Bill. In our view, therefore, the result of the negotiations between the Welsh Government and the UK Government does not represent a good or satisfactory outcome, particularly as it could lead to constitutional uncertainty in the future (see later section on matters of legislative competence).

Conclusion 2. While amendment NC1 provides a consenting role for the Welsh Ministers, the Welsh Ministers continue to have no powers of their own in the Bill to make regulations in devolved areas and, as a consequence, the Senedd will have no oversight of potentially significant regulations in devolved areas.

Conclusion 3. It is unsatisfactory that the Bill, if enacted, will not enable the Welsh Ministers to exercise the relevant delegated powers it contains within devolved areas.

Intergovernmental relations

36. We acknowledge that the Cabinet Secretary "would have liked the UK Government to go further" in respect of amendment NC1. We share this view, and are disappointed that there appears to be limited opportunities remaining in the

Bill's passage to seek its amendment so that a fuller role can be provided to both the Welsh Ministers and the Senedd.

- **37.** It is similarly disappointing, and indeed concerning, that although the Welsh Government had been in discussions with the UK Government about the powers in the Bill since its introduction in September 2024, it is only at this late stage in the Bill's passage that the Welsh Government has received a limited concession from the UK Government in the form of amendment NC1.
- **38.** In the spirit of openness of intergovernmental relations, we therefore believe that the Cabinet Secretary should provide further detail about the Welsh Government's engagement with the UK Government in respect of the Bill and should share relevant correspondence with the Committee.

Recommendation 1. The Cabinet Secretary should provide further detail about the Welsh Government's engagement with the UK Government in respect of the Bill and should share relevant correspondence with the Committee.

39. We have previously³⁸ sought information about the extent to which the intergovernmental structures in the UK provide an effective mechanism to resolve concerns or disputes relating to Bills which make provision in devolved areas. We believe that, again, in the spirit of openness, the Cabinet Secretary should provide further information about the degree to which these structures were utilised in respect of this Bill.

Recommendation 2. The Cabinet Secretary should confirm whether consideration was given to raising the Welsh Government's concerns in respect of the Bill at interministerial group level, and to also escalating these concerns to the Interministerial Standing Committee.

Matters of legislative competence

40. Within our report on the Memorandum, we raised the possibility of the Welsh Government introducing its own primary legislation to amend the Bill, if enacted, to the extent that it applies to devolved areas. The Cabinet Secretary told us that this approach would require "a full assessment of legislative competence", and – at the time – the Welsh Government was confident that "positive outcomes" would be reached with the UK Government so that such an approach would not be necessary.

³⁸ See for example paragraphs 80 to 83 and recommendations 4 and 5 of our October 2022 <u>report</u> on the Welsh Government's Legislative Consent Memoranda on the Procurement Bill.

41. Given that the outcome reached does not go as far as the Cabinet Secretary "would have liked", we believe that it is now appropriate that the Welsh Government undertakes an assessment of legislative competence to ascertain whether primary legislation may be introduced in the Senedd in order to amend the Bill, if enacted. We are of the view that the Welsh Government should grasp any opportunities open to it to fully address its concerns, and to fully protect devolved interests.

Recommendation 3. The Cabinet Secretary should, within six months, conduct a full assessment of legislative competence to ascertain whether primary legislation may be introduced into the Senedd to amend the Bill, if enacted, to the extent that it applies to devolved areas, and should provide its assessment to the Committee.

- **42.** We note that, by virtue of subsection (5)(b) of amendment NC1, the Welsh Ministers' consent will be required when regulations under the Bill make provision which would be within the legislative competence of the Senedd if it were contained in an Act of the Senedd.
- **43.** As we similarly stated in respect of a consent mechanism in the Data (Use and Access) Bill³⁹, were there to be disagreement between the Welsh Government and the UK Government as to whether clause 1 regulations make provision in devolved areas and whether consent would therefore be needed it is unclear to us how such a dispute would be resolved. It may be the case that the courts could be asked to decide on the matter; in this respect we do not believe that the consent mechanism in the Bill presents a constitutionally satisfactory provision, and we will endeavour to monitor its future use.
- **44.** Given the limited clarity around how the consent mechanism in the Bill will operate in the event of intergovernmental disagreement, we believe that the Cabinet Secretary should set out the Welsh Government's assessment of how such disputes will be resolved.

Recommendation 4. The Cabinet Secretary should set out the Welsh Government's assessment of how a potential dispute between the governments of the UK about whether clause I regulations make provision in devolved areas may be resolved, and whether the courts could be asked to decide on such a matter.

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³⁹ LJC Committee, The Welsh Government's Supplementary Legislative Consent Memorandum (Memorandum No. 3) on the Data (Use and Access) Bill, May 2025, conclusion 3

- **45.** We also note that subsection (2) of amendment NC1 provides that a UK Government Minister must obtain the consent of the Welsh Ministers before making clause 1 regulations in devolved areas, unless the provision in such regulations is "merely incidental to, or consequential on, provision outside Welsh devolved competence." The rationale for the inclusion of this carve-out provision is not set out by the Welsh Government.
- **46.** We are concerned at the potential implications of this provision on the scope of the areas for which consent may be sought. As we similarly state above, it is also unclear to us how any disputes about what is deemed to be "incidental" or "consequential" provision may be resolved. For these reasons, we believe the Cabinet Secretary should set out the Welsh Government's assessment of the possible implications of this provision.

Recommendation 5. The Cabinet Secretary should set out the Welsh Government's assessment of the impact of the carve-out in subsection (2) of amendment NC1, and its assessment of how intergovernmental disputes about what is deemed to be "incidental" or "consequential" provision may be resolved.

Recommendation 6. In responding to recommendation 5, the Cabinet Secretary should set out the Welsh Government's understanding of the relevance of the phrase "merely incidental to, or consequential on, provision outside Welsh devolved competence" in subsection (2) of amendment NC1 and whether it has any concerns about its inclusion.

The Bill's interaction with common frameworks

- **47.** Within our report on the Memorandum, we highlighted concerns raised about the potential impact of the Bill's broad regulation-making powers on the effective operation of common frameworks. In light of these concerns we recommended that the Cabinet Secretary should set out the Welsh Government's assessment of the Bill's interaction with common frameworks. We also called on the Cabinet Secretary to commit to provide such an assessment in any supplementary legislative consent memoranda laid in respect of the Bill.
- **48.** In response to our report, the Cabinet Secretary told us that the Bill's interaction with common frameworks will depend on the outcome of discussions with the UK Government around the Bill's delegated powers. She also told us that such interaction will also be dependent on the manner in which the delegated powers "are purported to be exercised."

49. As previously stated, Memorandum No. 3 was laid subsequent to the outcome of discussions with the UK Government in respect of the Bill's delegated powers in devolved areas. Memorandum No. 3 does not however provide an assessment of the Bill's interaction with common frameworks, the inclusion of which would have been helpful to inform our future consideration of the frameworks' operation. We believe it is now appropriate for the Welsh Government to conduct this assessment and report on its outcome to the Committee.

Recommendation 7. The Cabinet Secretary should set out the Welsh Government's assessment of the interaction of the Bill, as amended, on UK common policy frameworks.

Other matters

- **50.** We note that Memorandum No. 3 refers to the amendment which is the subject of that memorandum as "OPC79". As stated in Memorandum No. 3, the reference numbers used "are the OPC reference numbers assigned to the amendments prior to their formal publication".
- the relevant amendment's tabling, and within the two-week Standing Order deadline, we however believe that the inclusion of references used for internal purposes does not provide an accessible means of identifying which provisions in tabled amendments require the Senedd's consent. We have previously raised our concerns about the inclusion of such references in other legislative consent memoranda laid by the Welsh Government.⁴⁰ In the case of Memorandum No. 3, it was apparent to us that amendment NC1 corresponded to OPC79 based on the information provided; however this may not be the case with all memoranda. We would therefore like to take this opportunity to request that memoranda laid under Standing Order 29 make clear reference to amendments as published.
- **52.** While we recognise that it may not be feasible to disclose all relevant information, it is nevertheless disappointing that the Cabinet Secretary did not use the opportunity provided by Memorandum No. 2 to provide a fuller update of the Welsh Government's negotiations with the UK Government leading up to its laying or the outcome of the Welsh Government's discussions with counterparts

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⁴⁰ See paragraphs 105 and 106 and conclusion 11 of our May 2024 <u>report on the Welsh</u> Government's Supplementary Legislative Consent Memorandum (Memorandum No. 4) on the Data Protection and Digital Information Bill, and paragraphs 12 and 13 of our May 2025 <u>report on the Welsh Government's Supplementary Legislative Consent Memorandum (Memorandum No. 4) on the Data (Use and Access) Bill.</u>

in Scotland and Northern Ireland about the "possible legislative options which could address devolved nations concerns".

53. In addition, the Committee had minimal time to consider the matters in Memorandum No. 3, which are constitutionally significant in terms of the devolution settlement; this is unsatisfactory.